

Office of City Auditor

Cash Handling Audit Department of Parks and Recreation: Seattle Aquarium

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City of Seattle
Office of City Auditor

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City of Seattle Office of City Auditor

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To help the City of Seattle achieve honest, efficient management and full accountability throughout City government. We serve the public interest by providing the Mayor, the City Council, and City department heads with accurate information, unbiased analysis, and objective recommendations on how best to use public resources in support of the well-being of the citizens of Seattle.

Background:

Seattle voters established our office by a 1991 amendment to the City Charter. The office is an independent department within the legislative branch of City government. The City Auditor reports to the City Council and has a four-year term to ensure his/her independence in selecting and reporting on audit projects. The Office of City Auditor conducts financial-related audits, performance audits, management audits, and compliance audits of City of Seattle programs, agencies, grantees, and contracts. The City Auditor's goal is to ensure that the City of Seattle is run as effectively and efficiently as possible.

How We Ensure Quality:

The office's work is performed in accordance with the Government Auditing Standards issued by the Comptroller General of the United States. These standards provide guidelines for staff training, audit planning, fieldwork, quality control systems, and reporting of results. In addition, the standards require that external auditors periodically review our office's policies, procedures, and activities to ensure that we adhere to these professional standards.

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Introduction

Cash handling is a highly visible as well as an important government fiscal function; as such, it provides important public relations opportunities for the City of Seattle. Citizens expect their governments to provide high-quality services and to be accountable for public funds. At cash handling sites, citizens observe government service and cash protection in action, and form judgments about how well their government is performing in both of these areas.

City Council Resolution 29604 requires departments every two years to submit to the Office of City Auditor the City Auditor's Cash Handling Self-Assessment Questionnaire. Adopted in 1997, the main goal of the resolution is to ensure that cash handling sites use professional cash handling procedures that include excellent customer service. Cash handling audits allow both the department and the City Auditor to assess a site's internal controls over cash handling¹.

As part of its ongoing monitoring of City cash handling sites, the Office of City Auditor conducted this audit to evaluate the cash handling policies, procedures, and practices at the Department of Parks and Recreation's Seattle Aquarium. Our review of the Seattle Aquarium's cash handling operations focused primarily on the following three audit objectives:

1. Ensuring that the Seattle Aquarium's cash handling sites were not exposing the City's money to unnecessary risks.
2. Reviewing the site to ensure that its operations complied with the City's and the Seattle Aquarium's policies and procedures.
3. Helping Seattle Aquarium management to improve their cash handling procedures and policies.

Background

The Seattle Aquarium is owned and operated by the City of Seattle's Department of Parks and Recreation (Parks). It is located on Pier 59 on the Seattle waterfront and is open daily from 9:30 am to 5:00 pm. The Aquarium annually helps 800,000 visitors, including 50,000 students, understand and become aware of our marine environment.

The principal source of funds for the Aquarium comes from admissions fees. The Aquarium's Guest Experience unit oversees admission-related matters. There are four point-of-sale (POS) terminals at the Aquarium front desk used for processing admissions transactions. In addition, there is one POS work station on a portable rolling cart that is situated inside the Aquarium adjacent to an exterior door. Unlike other Parks divisions, the Aquarium does not use the CLASS system for POS transactions. Instead, Aquarium terminals use computerized cash registers supported by Gateway Ticketing Systems, Inc. and the company's product, "Galaxy." Gateway identifies itself as a world leader in high-speed access and admission control. It provides sales, services, and support for POS and ticketing systems. Galaxy is a revenue management and admissions control system.

¹ For this audit, cash handling refers not only to the handling of currency and coin, but also of checks and credit card payments.

An additional POS terminal, which also uses Galaxy, is located inside the Aquarium's administration office. This terminal primarily handles registration for Aquarium programs.

Scope and Methodology

We conducted audit planning and field work during June and July 2008 for our review of the Aquarium's cash handling policies, procedures, and practices.

During the audit's data gathering phase, we collected information about the Aquarium's cash handling policies and procedures. We reviewed the Seattle Parks and Recreation's "Dollars and Sense" Financial Guidelines Manual. We also reviewed the two Cash Handling Self-Assessment Questionnaires previously submitted to our office by the Aquarium.

During the audit's field work stage, we gained an understanding of the Aquarium's cash handling practices. We paid particular attention to the physical safekeeping of cash, checks, and credit card slips; daily activities, cash receipting, cash depositing, and monitoring. We interviewed the Guest Experience Manager, the Admissions Supervisor, the Guest Services and Administration Supervisor, and several cashiers. In addition to these interviews, we conducted a site visit. During the site visit, we observed typical daily cash handling practices at the Admissions desk. Furthermore, we visually substantiated some of the information provided during the interviews during our tour of the facilities.

To evaluate the key internal controls over the Aquarium's cash handling processes and procedures, the audit team developed an assessment tool based on the Cash Handling Self-Assessment Questionnaire. For each Aquarium internal control included in the assessment, we assigned it a rating of green or yellow or red based on its compliance with the stated control. A green rating signifies full compliance, yellow signifies partial compliance, and red signifies non-compliance. Next, for each control, we assigned the Aquarium a rating of green or yellow or red based on the level of risk associated with the compliance level. A green rating denotes low risk, or that the control appears to address risk effectively. A yellow rating denotes medium risk, or that the control could use improvement in how it addresses risk. A red rating denotes high risk, or that the control addresses risk ineffectively and should be improved as soon as possible. Please refer to Appendix 1 for comprehensive assessment results.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Conclusions in Brief

Overall, the Seattle Aquarium's cash handling policies, procedures, and practices appear to adequately ensure that City funds are not exposed to unnecessary risks. Management oversight is apparent at multiple levels in the site's operation. Policies and procedures are clearly defined and presented to all staff. Cashier duties are segregated to ensure that the risk of fraud and errors are reduced. Daily close out procedures ensure that payments from that day are accurately recorded and accounted for. Staff members take steps to ensure that cash or other forms of payment are safeguarded against theft. However, the process for handling credit card payments to register for Aquarium programs could be strengthened by implementing new procedures.

Conclusions and Recommendations

The Aquarium has internal controls that mitigate risk and improve daily cash handling processes. Current processes provide a reasonable level of control and are adhered to by a majority of the Aquarium staff. However, we identified several areas that should be improved and have provided recommendations for how they could be strengthened.

Conclusion 1: Management oversight is apparent at multiple levels in the operation of the site.

Aquarium management regularly reviews revenue trends, averages, and variations from norms. The Guest Experience Manager conducts periodic surprise counts of the change fund and the petty cash funds. Additionally, management oversees daily individual cashier transactions. For example, a supervisor's override code is required to complete a void transaction.

Conclusion 2: Policies and procedures are clearly defined and presented to all staff.

All Aquarium cashiers must complete training on citywide and departmental cash handling procedures. Management ensures that all cashiers know Aquarium-specific policies and procedures by providing an Aquarium Cash Handling Procedures Manual. Management recently updated the manual to reflect the new Galaxy automated system.

Conclusion 3: Cashier duties are segregated to ensure that the risks of potential fraud or errors are reduced.

For example, when cashiers count out their tills, another individual is required to be present to witness and verify the amount deposited. This process ensures that public funds are deposited in a way that reduces the risks of fraud or errors.

Conclusion 4: Daily close out procedures ensure that payments from that day are accurately recorded and accounted for.

Close out procedures at the Aquarium involve blind reconciliation. The blind reconciliation process requires cashiers to first count out the day's payments, record their counted amount in the system, and then print a daily balancing report. The system prints the report with the amount of money the cashier entered, and the amount the system reports the cashier should have. If the amount that the cashier inputted does not match the system-generated amount, the system reports the variance. Management regularly reviews these variances. The risk with non-blind counts is that cashiers have the ability to "force balance," by either pocketing an overage or covering a shortage using personal funds. By maintaining a system that includes blind reconciliation, the Aquarium has established a control that mitigates the risks involved in daily depositing procedures.

Conclusion 5: Aquarium staff members take steps to ensure that cash or other forms of payment are safeguarded against theft.

Supervisors and cashiers have been well-trained for their duties and are aware of internal controls established for the safeguarding of money and customer information during business and non-business hours. The majority of cashiers appear to adequately handle cash, checks, and credit cards collected to cover admission fees.

Conclusion 6: Individuals who handle registration payments for Aquarium programs record complete credit card numbers.

The Aquarium's registration process could be improved. Customers must call the Aquarium administration office to register for programs, camps, group visits, etc. The cashier records the registration information onto an automated system that is operated by CLASS. If the customer wants to pay with a credit card, the cashier writes down the credit card number on a piece of paper or a post-it note. The cashier then inputs the information as a normal transaction into a Galaxy-operated POS terminal a few feet away from the computer that is operated by CLASS. The cashier then shreds the piece of paper or post-it note.

Although the Aquarium does not store credit card numbers and has instructed its cashiers to immediately dispose of the cardholder data, it would be preferable for cashiers to not have to write down complete credit card numbers.

Recommendation: The registration process should be changed to reduce the risk of misuse of cardholder data.

Department's August 1st Response to Recommendation: All credit card payments through phone will be posted immediately to the Galaxy POS System to generate sales receipt and payment approval. The staff person taking payment over the telephone for a group sale is transferring the phone call to an Aquarium staff member who takes the credit card information from the client and enters it straight into the galaxy POS system.

Credit card information will not be recorded on a piece of paper to reduce the risk of misuse of the cardholder data.

Office of City Auditor (OCA) Response: Based on the department's response, we revised our assessment matrix for this control.

Conclusion 7: All work stations are secure, except for the portable work station which is not secure during business hours. It is adjacent to an exterior door, and is not equipped with a security buzzer or alarm.

In case of a "snatch-and-dash" robbery, the individual in charge of the portable work station would be unable to immediately alert other Aquarium staff or police about the robbery.

Recommendation: Management should take measures to make the portable work station more secure. It should be equipped with a security buzzer or an alarm.

Department's August 1st Response to Recommendation: Management will identify a permanent location for the security buzzer or alarm and install it close to the portable POS station. Management has removed the portable POS station and will not replace it until a security buzzer is installed at the group entrance.

OCA Response: Based on the department's response, we revised our assessment matrix for this control.

Conclusion 8: Cashiers do not check identification when customers pay in-person with a check.

Cashiers do not check identification when customers pay in-person with a check because identification is not checked for check payments received in the mail.

Recommendation: Cashiers should make it a practice to check identification of customers who pay in-person with a check.

Department's August 1st Response to Recommendation: The City standard as included in the cash handling procedures is that we do not require ID on any checks. We treat mail same as walk in. This is what the Parks department is currently doing in community centers and pools. Most of the checks we receive are payments from schools and from the mail. The gate POS have an average of 2 checks per week. In the last 4 years there were only 3 returned NSF checks.

The Aquarium will take your recommendation of checking photo-ID when customers pay in-person with a check. We are taking this exception from other departments to minimize the risk of bad checks and for the following reasons:

- *We are a major attraction destination with a wider range of geographical guests.*
- *We are selling combination tickets that are expensive and require disbursements to our partners – (Seattle City Pass, Argosy Cruises and Annual Membership Pass).*

Steps taken:

We configured our Point of Sale – Galaxy to ask for photo-ID verification whenever a check tender is encountered. We sent a memo to all admissions staff to implement this policy immediately.

OCA Response: Based on the department's response, we revised our assessment matrix for this control.

Conclusion 9: Cashiers issue cash refunds.

Customers may receive a refund within the first hour of their visit if they are not satisfied. Cashiers issue refunds based on the original payment. If the customer paid by credit card, cashiers credit the refund to the same credit card. If the customer paid by check, cashiers return a voided check. If the customer paid by cash, cashiers issue a cash refund.

Recommendation: We recognize that cash refunds are a part of the Aquarium's effort to be more customer-friendly. However, this process poses the risk of fraud. We recommend that the Aquarium either follow the Citywide policy of processing a City warrant in lieu of cash refunds, or explore procedures that would eliminate this risk.

Department's August 1st Response to Recommendation: All cash and credit refunds will be processed with Refund Application and will be processed through Parks Accounting.

OCA Response: Based on the department's response, we revised our assessment matrix for this control.

Conclusion 10: Signs are not displayed indicating that customers are required to obtain a receipt.

Signs are not displayed at the Aquarium cashier stations that state customers should receive a receipt for every transaction. However, the customer's admission ticket is not printed until after the receipt is printed. Customers receive both the ticket and receipt together.

Recommendation: Management should display signs near the Aquarium front desk indicating that customers are required to obtain a receipt.

Department's August 1st Response to Recommendation: All POS stations will have signage "Demand receipt upon payment." Installed August 9, 2008.

OCA Response: Based on the department's response, we revised our assessment matrix for this control.

Conclusion 11: The Aquarium has not experienced a cash shortage; therefore they have not communicated the Parks fraud policy to Aquarium cash handling staff members.

The Guest Experience Manager reported that such a shortage had not occurred. The Parks Budget Manager provided the department's fraud policy, which describes the procedures for reporting loss of assets. For a shortage over \$100, cashiers and/or managers are required to report the loss to Office of City Auditor, the State Auditor's Office, DEA Central Accounting, the City Risk Manager, and DEA Treasury Services.

Recommendation: Aquarium management should communicate the Parks fraud policy to Aquarium cash handling staff members and ensure that they follow the Parks Department fraud procedure. The procedure should also be added to the Aquarium's Cash Handling Procedures Manual.

Department's August 1st Response to Recommendation: [Cash Handling Procedure 8.1.2.1 amended.](#)

A variance exceeding \$100.00 requires a "Loss of Assets" report to be completed and forwarded to the Parks Department Accounting and Human Resources Offices. The Parks Accounting Office will forward the report to the Office of the City Auditor, the State Auditor's Office, Department of Executive Administration (DEA) Central Accounting, the City Risk Manager and DEA Treasury Services within 48 hours of loss to comply with the City of Seattle Fraud Procedures. A consistent pattern of variances will be grounds for disciplinary action and can lead to dismissal in accordance with Departmental policy.

OCA Response: Based on the department's response, we revised our assessment matrix for this control.

Conclusion 12: The Aquarium does not have a policy for cashiers to take vacations or be temporarily reassigned.

It is important for cashiers to take vacations or be temporarily reassigned to limit the potential for fraud. Although all of the cashiers we interviewed said they take vacations, none mentioned that vacations or temporary reassignment of duties were required.

Recommendation: The Aquarium should develop a policy that requires vacations from or temporary reassignment of cashiering duties to limit fraud and a procedure for monitoring this internal control.

Department's Response to Recommendation: [All cashiers are able to take pre-approved vacations. All cashiers are required to take vacations. There is a maximum number of hours that employees can retain before losing the time. In 2007 each cashier had an average of 68 hours or 9 days of vacation used.](#)

To limit potential fraud we rotate and assign cashiers to different roles aside from cashiering. We rotate them to work as a Ticket Taker, Guest Services Staff, Group Entrance Staff and other clerical assignments.

We will incorporate this policy in our Cash Handling Procedures to properly document this internal control immediately. The Guest Experience Manager will review the compliance of these procedures i.e. required vacations and temporary job reassignments.

OCA Response: Based on the department's response, we revised our assessment matrix for this control.

Conclusion 13: The Aquarium's Cash Handling Procedure Manual does not address the procedures for collecting and recording cash from donation boxes.

Management recognized that the manual did not mention a procedure for collecting cash from donation boxes located throughout the facility.

Recommendation: Management should update the Cash Handling Procedure Manual to include a procedure for collecting and recording cash from donation boxes.

Department's August 1st Response to Recommendation: Cash Handling Procedure 6.4 amended. The following donations are processed as follows:

Otter Box – Located in Bldg. 2 near the Sea Otter exhibit is emptied by the Lead Cashier (assisted by a witness) every Monday. The monies are counted, receipted and entered into the Galaxy POS system as a donation. Donor information is documented and reported on a quarterly basis by the Admissions Supervisor and sent to the Parks Accounting Department. Donations are held in a fund by our non-profit group the Seattle Aquarium Society.

Seas Donation Box – Located in Bldg. 1 in the Great Hall is emptied by the Guest Experience Manager (assisted by a witness) every Monday. The monies are sealed in a deposit bag and delivered to the Seattle Aquarium Society.

Face Painting Box – Located in Bldg. 1. The Face Painting donation box is a seasonal activity for the summer teen volunteers. Monies donated to this particular activity are used to fund the teen volunteer program. The locked box is emptied by the High School Teen Supervisor (assisted by a witness). The monies are counted and verified by the Guest Experience Manager and the Admissions Supervisor. Donations are held in a fund by our non-profit group the Seattle Aquarium Society.

OCA Response: Based on the department's response, we revised our assessment matrix for this control.

Appendix I – Cash Handling Assessment Matrix

To evaluate the Department of Parks and Recreation's (Parks) cash handling processes and procedures for the Aquarium, we developed an assessment matrix of several important internal controls regarding cash handling practices.

Control Compliance Criteria:

- **Green Rating** = Parks complies with the stated control.
- **Yellow Rating** = Parks partially complies with the stated control.
- **Red Rating** = Parks does not comply with the stated control.

Risk Level Criteria:

- **Green Rating** = Parks management has reduced risk to an acceptable level.
- **Yellow Rating** = The risk, while not unacceptable, could be further reduced or would benefit from additional monitoring by management.
- **Red Rating** = An acceptable level of risk has not been achieved. Management needs to address this risk and reduce it.

Physical Safekeeping of Cash, Checks, and Credit Card Slips			
	Compliance Level	Comments	Risk Level
1. During business hours the site maintains adequate physical facilities for safeguarding cash, checks, and credit card slips.		The cash drawer and safe are locked at all times. Only staff members with key cards have access to the safe room. Surveillance cameras are viewable by the Guest Experience Manager 24 hours a day/7 days a week. During our site visit, the portable work station was not physically secured and was exposed to an exterior door.	
	Fully Complies	<u>Management Action:</u> Aquarium management responded that a security buzzer or alarm would be installed close to the portable work station. Management has removed the portable POS station and will not replace it until a security buzzer is installed at the group entrance. A	Low Risk

		procedure for collecting and recording cash from all donation boxes throughout the facility has been established.	
2. During non-business hours the site maintains adequate physical facilities for safeguarding cash, checks, and credit card slips.	Fully Complies	Yes. The Admissions Supervisor locks daily deposits in the top safe overnight.	Low Risk
3. Only authorized personnel have access to cash handling areas, keys to those areas, and/or safe combinations.	Fully Complies	Yes. Cashiers gain access to the safe room with their own key card. There are two safe compartments, a general use compartment and another specific for the change fund. The Admissions Supervisor knows the combinations to both compartments and the lead cashier knows the combination only for the general use compartment.	Low Risk
4. Keys to cashier areas are stamped "Do Not Duplicate."	N/A	The cashier area is open. However, the key to the safe room is stamped "Duplication Prohibited."	Low Risk
5. Senior staff maintains a list identifying who knows safe combinations and has keys to locked boxes and cash handling areas.	N/A	Only two people know the safe combinations, making a list unnecessary. Management records the combination on a piece of paper that is kept inside a sealed envelope in the Director's office.	Low Risk
6. Management changes safe combinations and keys when key employees transfer or are terminated, or for other security reasons.	Fully Complies	Yes. Management changes safe combinations and keys. The combinations were recently changed.	Low Risk

7. Cashiers lock safes and secured areas when they must leave the area.		Cashiers do not have access to safes. Individuals that have access to a safe follow the procedure of locking it after use. The safe room door automatically locks when it closes. Another door blocks the safe room from public view.	
	Fully Complies		Low Risk
8. Each individual uses a unique login ID and password to access the automated POS system.		Yes. Cashiers and management must enter a Personal Identification Number to access the Galaxy system.	
	Fully Complies		Low Risk
9. Each individual locks his/her terminal when leaving it unattended.		Yes. Cashiers suspend or log out of their terminals when going on breaks.	
	Fully Complies		Low Risk
10. Each individual logs out after he/she is finished using the system.		Yes. Cashiers and management completely log out when they are finished using the system.	
	Fully Complies		Low Risk
11. Cashiers have access to a security alarm or buzzer that alerts management or security personnel of robberies or other threatening activities.		<p>The stationary work stations at the front entrance have security buzzers that immediately notify the Seattle Police Department. However, during the site visit we noticed that the portable work station did not have a security buzzer.</p> <p><u>Management Action:</u> Aquarium management responded that they will identify a permanent location for the security buzzer or alarm and install it close to the portable POS station. Management has removed the portable POS station and will not replace it until a security buzzer is installed at the group entrance.</p>	
	Fully Complies		Low Risk

Daily Cash Handling Procedures			
	Compliance Level	Comments	Risk Level
12. One cashier is responsible for one cash drawer at any given time.		Yes. During breaks cashiers remove their tills from the cash drawer, lock their tills with a security lid, and are then escorted to the safe room with the till.	
	Fully Complies		Low Risk
13. Cashiers record all transactions in the cash/POS register immediately upon receiving money.		Yes. Cashiers immediately record transactions.	
	Fully Complies		Low Risk
14. An armored car service delivers cash to the site that will be used for making change.		Yes. The currency is delivered by a Brinks armored car.	
	Fully Complies		Low Risk
15. Cashiers use a counterfeit detection pen to verify the authenticity of bills.		Yes. Cashiers use the pen for \$50 and \$100 bills.	
	Fully Complies		Low Risk
16. Cashiers endorse checks "City of Seattle, For Deposit Only" immediately upon receipt.		Yes. Cashiers use a stamp to endorse checks.	
	Fully Complies		Low Risk
17. Cashiers require customers to present identification when paying in-person with checks.		<p>None of the cashiers require customer identification when the customer pays with a check.</p> <p><u>Management Action:</u> Aquarium management accepted our recommendation of checking photo-ID when customers pay in-person with a check. They decided to deviate from other departments' practices to minimize the risk of bad checks and for the following reasons:</p> <ul style="list-style-type: none"> • They are a major attraction destination with a wider range of geographical guests. • They are selling 	
	Fully Complies		Low Risk

		<p>combination tickets that are expensive and require disbursements to our partners – (Seattle City Pass, Argosy Cruises and Annual Membership Pass).</p> <p>Steps taken: They configured their Point of Sale – Galaxy to ask for photo-ID verification whenever a check tender is encountered. They sent a memo to all admissions staff to implement this policy immediately.</p>	
18. Cashiers do not exchange personal checks made payable to the City for cash.	Fully Complies	Cashiers are not allowed to give cash in exchange for checks.	Low Risk
19. Cashiers do not accept second-party checks.	Fully Complies	Cashiers do not accept these types of checks.	Low Risk
20. Cashiers do not give cash back for checks written over the amount due.	Fully Complies	In case of overpayment by check, Parks Accounting processes the refund.	Low Risk
21. Cashiers receive authorization for credit card transactions through their credit card terminal before they complete a credit card transaction with a customer.	Fully Complies	Yes. Cashiers complete the credit card transaction before returning the card to the customer.	Low Risk
22. When a customer pays with a credit card, the cashier matches the signature on the back of the credit card with the signature on the credit card slip, and also checks the credit card's expiration date.	Fully Complies	Yes. Cashiers match signatures to the signature on the back of the credit card or on the customer's identification.	Low Risk
23. Cashiers do not write down complete credit card numbers when a customer pays with a credit card.	Fully Complies	During the site visit, we were informed that the individual who handles registration payment by phone writes down complete	Low Risk

		<p>credit card numbers. The individual writes the credit card number on a post-it note, enters it into the Galaxy system, and then shreds the post-it note.</p> <p><u>Management Action:</u> Aquarium management responded that in the future, credit card information would not be recorded and payments would be immediately posted to the Galaxy system to generate a sales receipt and payment approval. The staff person taking payment over the telephone for a group sale is transferring the phone call to an Aquarium staff member who takes the credit card information from the client and enters it straight into the galaxy POS system.</p>	
24. Refunds are made only by check/warrant/credit card and only to the individual who made the payment.		<p>During an interview, management stated that cashiers issue refunds based on the original payment. Customers may receive a refund within the first hour of their visit if they are not satisfied. If the customer paid by credit card, cashiers credit the refund to the same credit card. If the customer paid by check, cashiers return a voided check. If the customer paid by cash, cashiers issue a cash refund.</p> <p><u>Management Action:</u> Aquarium management responded that all cash and credit refunds are processed through Parks Accounting.</p>	
	Fully Complies		Low Risk

25. The site has back-up procedures when the automated system is down.		Manual receipt forms are on site in case the system is down. Cashiers can still manually process credit card payments.	
	Fully Complies		Low Risk

Cash Receipting			
	Compliance Level	Comments	Risk Level
26. All cash/POS registers can generate receipts.	Fully Complies	Yes. All registers can generate receipts.	Low Risk
27. All manual and system-generated receipts are pre-numbered.	Fully Complies	Yes. All receipts are pre-numbered.	Low Risk
28. Receipts are uniquely numbered so that duplicate numbers will not occur.		Yes. The system generates uniquely numbered receipts according to the transaction number. Manual receipts are uniquely pre-numbered.	
	Fully Complies		Low Risk
29. Cashiers provide register receipts to all customers.	Fully Complies	Yes. Cashiers provide receipts to all customers.	Low Risk
30. Cashier areas display signs stating customers must take a receipt.		During the site visit, signs were not displayed. However, the customer's admission ticket is not printed until after the receipt is printed. Customers receive both the ticket and receipt together. <u>Management Action:</u> Aquarium management responded that the signage installation was completed on August 9, 2008.	
	Fully Complies		Low Risk
31. Cashiers secure manual receipt forms in locked storage place when not in use.		Yes. Management locks manual receipt forms in the general use compartment of the safe.	
	Fully Complies		Low Risk

Cash Depositing			
	Compliance Level	Comments	Risk Level
32. All cash/POS registers can produce a system-generated balancing report.		Yes. All registers can produce a balancing report.	
	Fully Complies		Low Risk

33. The system-generated balancing reports include date and cashier's initial(s).		During our site visit, we observed that cashiers did not initial their individual balancing reports, but reports contained the date and name of the cashier.	
	Fully Complies	<u>Management Action:</u> Aquarium management amended the Cash Handling Procedures Manual to require that all cashiers initial their individual balancing reports.	Low Risk
34. Closing out procedures include blind reconciliation.	Fully Complies	Yes. Blind reconciliation is part of the closing out process.	Low Risk
35. Two people confirm the payments received.	Fully Complies	Yes. Another individual is present to witness the cashier counting his/her till.	Low Risk
36. Cashiers do not prepare and sign the bank deposit and do not print the daily cash balancing report.		Cashiers prepare their own bank deposit, sign it, and print the balancing report for their own workstation. <u>Management Action:</u> The Aquarium's Galaxy point-of-sales (POS) system can control the cashier's level of security and privileges of the system. The POS system is configured that cashier does not have the privileges of seeing and printing the balancing report prior to counting the cash and making deposit. The cashiers with a witness will prepare a blind count deposit and sealed the deposit bag.	
	Fully Complies	The POS system requires a cash-out procedure to record the actual deposit, determine variance and zero-out the cashier's shift. All balancing reports are only generated by the supervisor	Low Risk

37. Individuals receiving mail, telephone, and/or online payments are not the individuals who prepare bank deposits.		The receptionist, who receives mail payments, does not prepare bank deposits. However, the individual who receives registration payments by telephone prepares her own bank deposits with a witness present.	
	Partially Complies		Medium Risk
38. The department requires details of currency and/or checks on the deposit slips.		Yes. Cashiers record currency denominations and checks on the deposit slips.	
	Fully Complies		Low Risk
39. Cashiers do not reconcile bank deposits with system reports.		The Galaxy system does this. Closing out procedure includes blind reconciliation.	
	Fully Complies		Low Risk
40. The department requires the preparation of duplicate or triplicate deposit slips.		Yes. Cashiers prepare deposit slips in triplicate, and send two deposit slips to the bank and retain one at the site.	
	Fully Complies		Low Risk
41. The department requires the preparation and recording of daily deposits within 24 to 48 hours as required by City policy.		Yes. Cashiers prepare deposits at the end of their shifts.	
	Fully Complies		Low Risk
42. The department requires the use of tamper-proof deposit bags for making deposits.		Yes. Cashiers use tamper-proof bags.	
	Fully Complies		Low Risk
43. An armored car service picks up deposits.		Yes. Brinks armored car service picks up deposits around 3 p.m. Monday through Saturday.	
	Fully Complies		Low Risk
44. An individual other than the person making the deposit receives bank statements and deposit slips.		Yes. Parks Accounting receives bank statements.	
	Fully Complies		Low Risk

Monitoring			
	Compliance Level	Comments	Risk Level
45. Management regularly reviews revenue trends and averages.		Yes. Management prints reports on a daily basis for the previous day's activities. Managers review revenue trends, attendance, etc.	
	Fully Complies		Low Risk

46. Management investigates all substantial variations from norms such as voids, no sales, refunds, errors, etc.		Yes. Management monitors variances with a log that shows the date, cashier's name, variance amount, and monthly total. The Admissions Supervisor and the Guest Experience Manager review the log monthly.	
	Fully Complies		Low Risk
47. Cashiers must receive a site supervisor's approval before voiding transactions.		Yes. The Admissions Supervisor must input a code to complete a void transaction.	
	Fully Complies		Low Risk
48. Management regularly reviews void transaction activity.		The Admissions Supervisor reviews voids on a daily basis and during authorization of the void.	
	Fully Complies		Low Risk
49. Cashiers report all overages and shortages to management.		Yes. The system-generated report shows variances. Cashiers immediately report overages and shortages to the Guest Experience Manager or the Aquarium Director (in the Guest Experience Manager's absence).	
	Fully Complies		Low Risk
50. Cashiers or managers immediately report shortages over \$100 to the Treasury Division of the Department of Executive Administration and the City Auditor's Office.		<p>The Guest Experience Manager reported that such a shortage has not occurred. The Parks Budget Manager provided the department's fraud policy, which describes the procedures for reporting loss of assets.</p> <p><u>Management Action:</u></p> <p>Aquarium management amended the Cash Handling Procedure Manual to require a "Loss of Assets" report to be completed and forwarded to the Parks Accounting and Human Resources Office in the event of a variance exceeding \$100. The Parks Accounting Office will forward the report to the Office of City Auditor, the State Auditor's Office, DEA Central Accounting, the City</p>	
	Fully Complies		Low Risk

		Risk Manager, and DEA Treasury Services within 48 hours of loss.	
51. Management verifies the cash and check amount on the deposit slips to the system-generated balancing reports.		Yes. The Admissions Supervisor verifies all cashier-prepared deposit slips, cash out reports, and balancing report totals.	
	Fully Complies		Low Risk
52. Each month the department's accounting office reconciles the site's bank statements.		Yes. Parks Accounting receives bank statements, and the Aquarium sends a monthly cash transmittal voucher to Accounting for reconciliation.	
	Fully Complies		Low Risk
53. Individuals responsible for receiving cash, checks, and credit card payments are not the individuals who reconcile the bank statements.		Yes. Parks Accounting receives bank statements.	
	Fully Complies		Low Risk
54. The department's accounting office reconciles credit card transaction totals to the credit deposits on the bank statement.		Yes. Parks Accounting receives both the bank statements and a cash transmittal voucher that shows credit card transaction totals.	
	Fully Complies		Low Risk
55. The department has a policy for cashiers to take vacations or be temporarily reassigned.		Cashiers take vacations and other individuals handle their responsibilities in their absence. The Aquarium should develop a policy that requires vacations or temporary reassignment. <u>Management Action:</u> If a cashier does not take vacation time, he/she will be rotated to different duties within the admissions team.	
	Fully Complies		Low Risk
56. Cashiers must complete the Department of Executive Administration's Finance Division cash handling training.		Yes. All cashiers must complete the DEA cash handling training.	
	Fully Complies		Low Risk
57. Cashiers must complete the department's cash-handling training.		Yes. All cashiers must complete the Parks cash handling training.	
	Fully Complies		Low Risk